

California Work Opportunity and Responsibility to Kids (CalWORKs) Program Overview



Director Will Lightbourne
Deputy Director Todd Bland

Handout for
Assembly Subcommittee No. 1

Wednesday, February 25, 2015
1:00 P.M. – State Capitol Room 444

Table of Contents

CalWORKs Background

- CalWORKs Overview Pages 1-2
- CalWORKs Caseload and Grants with CalFresh Benefits..... Page 3

Welfare-to-Work (WTW) 24-Month Time Clock Update (SB 1041)

- WTW 24-Month Time Clock and Key Data Points..... Page 4
- WTW 24-Month Time Clock Impact..... Page 5

Early Engagement Implementation Update (AB 74)

- Expanded Subsidized Employment..... Page 6
- Family Stabilization..... Page 7
- Online CalWORKs Appraisal Tool..... Page 8

CalWORKs Accountability and Investment

- Work Participation Rate Pages 9-10
- Work Incentive Nutritional Supplement Program..... Page 11
- Program Oversight..... Page 12
- Housing Support Program..... Page 13
- Workforce Innovation and Opportunity Act..... Page 14

CalWORKs: Background**Caseload Highlights
FY 2013 – 2014**

- ❖ **551,000 Families**
- ❖ **Over One Million Children**
- ❖ **50 Percent Poor Children Served**

CalWORKs Overview

CalWORKs is California's version of the federal Temporary Assistance for Needy Families (TANF) program. The program provides 48 months of cash grants and welfare-to-work (WTW) services to low-income families with children. Children remain eligible for assistance up to age 18.

Combatting Child Poverty

CalWORKs serves over one million children in 551,000 cases.

During Federal Fiscal Year (FFY) 2013, the CalWORKs program served just over 50 percent of the children living in poverty in California. In contrast, nationally less than 18 percent of children living in poverty are served in state TANF programs.

Key Features

- ✓ Cash Grants for Families
- ✓ 48 Months of Cash Assistance and WTW Services
- ✓ Safety Net for Children
- ✓ Child Care/Supportive Services
- ✓ Participation Requirements
- ✓ Substance Abuse, Mental Health and Domestic Violence Services
- ✓ Exemptions from Time Clock and Participation
- ✓ Federal Work Participation Mandates and Penalties
- ✓ Immediate Needs Intervention
- ✓ Cash Bonuses for Teen Academic Success
- ✓ Earnings Disregard

Recent Program Changes

- ✓ 24 Months of Flexible Work Activities
- ✓ Subsidized Employment Opportunities
- ✓ Family Stabilization Program
- ✓ Approved Relative Caregiver Option Program
- ✓ Housing Support Program
- ✓ Online CalWORKs Appraisal Tool
- ✓ Elimination of Truancy Penalty
- ✓ Eligibility for Individuals with a Prior Drug Felony Conviction

CalWORKs: Background (continued)

Total CalWORKs Funding – Revised State Fiscal Year (SFY) 2014-15: \$5.5 Billion

TANF Block Grant	\$2.7 Billion
Maintenance of Effort (MOE) – includes county funds	\$2.2 Billion
Other Funds (Non-MOE General Fund, Title XX)	\$0.6 Billion

Caseload Components

CalWORKs Caseload Breakdown in FFY 2013			
	Case Type	RADEP Cases	Percent
	Aided Adult (WTW Participant)	151,350	
	Aided Adult (All Other Exempt)	56,456	
	Aided Adult (Young Child Exempt)	34,025	
	Sanctioned	41,703	
	<i>Welfare-to-Work Subtotal</i>	283,534	50.6%
	Undocumented	123,725	
	Non-Needy Caretaker Relative	33,460	
	Supplemental Security Income (SSI) Parent	25,627	
	Drug/Fleeing Felon ¹	10,975	
	Other/Unknown	9,139	
	<i>Other Child Only Subtotal</i>	202,926	36.2%
	Safety Net	73,993	13.2%
	CalWORKs Total	560,453	100.0%

DATA: FFY 2013 Research and Development Enterprise Project (RADEP) Sample and Welfare Data
Tracking Implementation Project (WDTIP) Extract

¹ Drug felons will be eligible for cash aid/WTW as of April 1, 2015.

CalWORKs: Background (continued)**CalWORKs Caseload and Grants with CalFresh Benefits****Recent History and Projections
(FY 2008-09 through FY 2015-16)**

Fiscal Year	Average Monthly CalWORKs Cases	Average CalWORKs Grants	MAP for AU of 3 Region 1 ¹	CalFresh MCA for HH of 3 ²
2008-09	504,994	\$ 540.61	\$ 723	\$ 463
2009-10	553,347	\$ 514.49	\$ 694	\$ 526
2010-11	586,659	\$ 517.36	\$ 694	\$ 526
2011-12	575,988	\$ 466.31	\$ 638	\$ 526
2012-13	559,919	\$ 464.75	\$ 638	\$ 526
2013-14	550,928	\$ 474.34	\$ 670	\$ 526
2014-15 ³	543,557	\$ 490.71	\$ 670	\$ 497
			\$ 704	
2015-16 ³	533,335	\$ 506.55	\$ 704	\$ 511

¹ California's grant levels are divided into two regions. This chart reflects the CalWORKs Maximum Aid Payment (MAP) for an Assistance Unit (AU) of 3 in Region 1 Counties: Alameda, Contra Costa, Los Angeles, Marin, Monterey, Napa, Orange, San Diego, San Francisco, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Solano, Sonoma and Ventura.

² CalFresh benefit amounts are based on a Federal Fiscal Year (October-September) versus the SFY (June-July). The FY 2014-15 CalFresh benefit amount is based on the FFY 2014 household (HH) Maximum CalFresh Allotment (MCA) with an adjustment for the American Recovery and Reinvestment Act of 2009 enhanced benefits expiring in November 2013.

³ Cells below the bolded line represent projections from the 2015-16 Governor's Budget. The CalWORKs MAP for an AU of 3 will increase from \$670 to \$704 beginning April 1, 2015.

Welfare-to-Work (WTW) 24-Month Time Clock Update (SB 1041)

- The “WTW 24-Month Time Clock” is a prospective 24-month time limit for non-exempt able-bodied adults to receive a wide array of services and supports to enter and remain in the workforce. After the 24-month clock (24MTC), clients are expected to meet federal work participation requirements. Other key elements:
 - More opportunities for education or barrier removal.
 - The clock stops for a multitude of reasons, including when a client has good cause for not participating.
- Recognizing that some adults will not find employment within 24 months, counties will provide 20 percent of the caseload with additional time to complete educational goals or find a job.
- Prior to the end of the 24 months, clients receive a series of notices and appointments to develop a new WTW plan designed to meet federal standards.
- Clients who do not receive an extension or are unable to meet federal requirements face the possibility of losing the adult portion of the family’s grant.

Key Dates

- ❖ **January 1, 2013:** Implementation of the WTW 24-Month Time Clock.
- ❖ **January 2015:** Begin transition of clients that reach the end of the WTW 24-Month Time Clock.

Key Data Points

Statewide trends in WTW since the implementation of the 24MTC in January 2013 indicate a recovering job market as the most influential factor for clients when choosing WTW activities:

Employment:

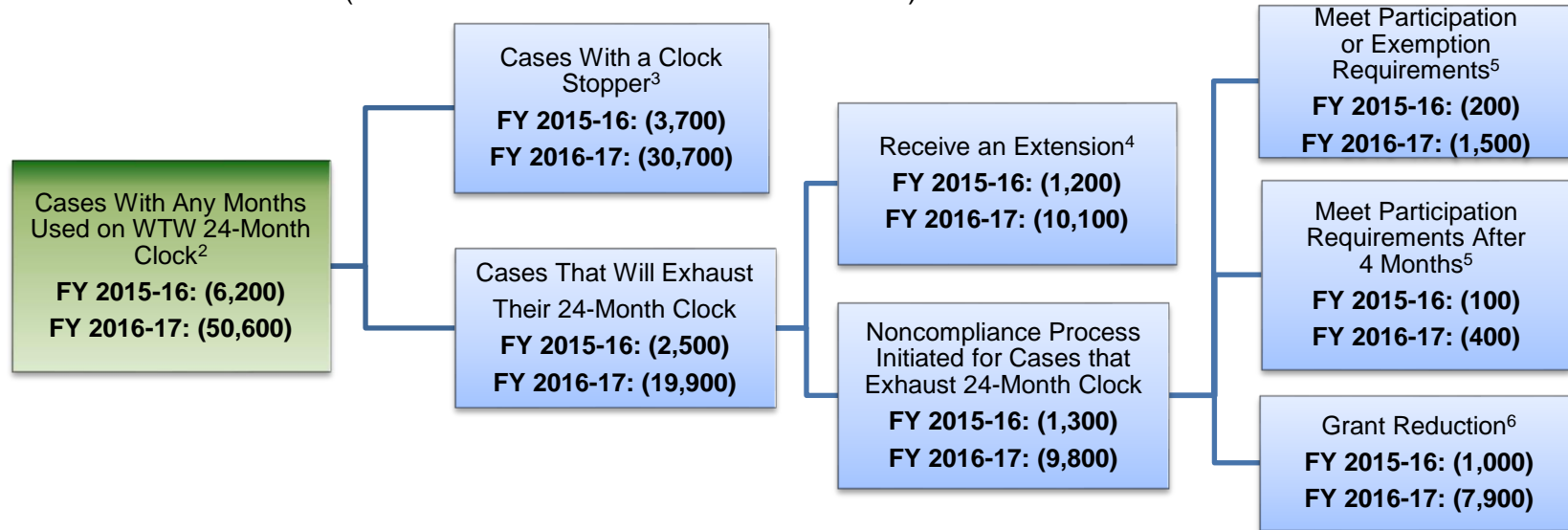
- The percentage of clients with earnings has been increasing since the first quarter of 2013.
 - From 24.0 percent in 2013 to 30.9 percent in the third calendar quarter of 2014.
 - Moreover, quarterly mean earnings increased from \$2,284 to \$2,815.

Education:

- More clients choose 24MTC Education vs. Self-Initiated/Self-Referred Programs (called SIPs).
 - In 2013, SIP enrollment at community colleges decreased by 900 clients.
 - In this same time, county-referred clients to community colleges increased by 850 clients.

Sanctions:

- As a result of all cases being processed to align with the new 24MTC rules, there was an upward trend in sanctions starting in January 2013 as non-compliant cases were discovered.
- However, the total number of sanctions dropped by over five percent from a peak in August 2014 to December 2014. The CDSS believes this downward trend will continue as clients engage with the program.

WTW 24-Month Time Clock Update (SB 1041) (continued)**Preliminary WTW 24-Month Time Clock Impact Estimate**Caseload Flow Chart for FY 2015-16 (Based on RADEP 2014 and WDTIP data)¹**FY 2015-16 Monthly Projected Post WTW 24-Month Grant Reduction Caseload (Rounded for Display Purposes)**

July	August	September	October	November	December	January	February	March	April	May	June	FY 2015-16
100	200	200	300	500	600	800	1,100	1,400	1,700	2,100	2,600	1,000

- ^{1.} Caseload displayed represents the number of cases, as opposed to adults, since the number of extensions counties provide is based on cases.
- ^{2.} The "Cases With Any Months Used on WTW 24-Month Clock" is based on 24-Month Clock WDTIP data as of January 2015 and reflects the number of cases that will exhaust their 24 months within the applicable FY assuming they use their clock continuously.
- ^{3.} Based on January 2015 WDTIP and Federal Fiscal Year 2014 RADEP data, 47.95 percent of cases with months used on their WTW clock are meeting participation requirements and 12.74 percent are sanctioned or exempt and would have their clock stopped.
- ^{4.} The methodology to determine the number of available extensions is based on the number of cases with 18-24 months on their WTW clock, regardless of whether they meet the participation requirements in that month or subsequent months (which would result in cases having their clock stopped and some cases never reaching 24 months). Therefore, the 20 percent is applied to the total cases with months used on their WTW clock.
- ^{5.} Assumes 15 percent of the cases not receiving an extension will begin meeting the participation requirements, or receive an exemption, to maintain their grant. Assumes that 10 percent of the remaining cases will meet the participation requirements and have their grant restored after four months.
- ^{6.} Assumes that the WTW 24-Month Clock effectively started on April 1, 2013 due to additional noticing and plan development requirements for these cases. The grant savings will first be realized starting July 2015, after the noncompliance process for the group of participants that reach the end of their 24-month clock in April 2015. The "FY 2015-16" and "FY 2016-17" caseloads represent the average monthly cumulative caseload in the applicable FY.

Early Engagement Implementation Update (AB 74)**Expanded Subsidized Employment (ESE)**

- Funding for counties to expand current or develop new subsidized employment programs covers:
 - Operational costs of the program.
 - Cost of overseeing the program.
 - Developing work sites.
 - Wage and nonwage costs.
 - Providing training to participants.
- Creates job opportunities.
- Counties form partnerships with private employers, non-profits and public agencies.
- Assists participants with transitioning successfully to unsubsidized employment and moving toward self-sufficiency.

Key Dates

- ❖ **July 1, 2013:** Effective date.
- ❖ **September 30, 2013:** Implementation guidelines and allocations released.
- ❖ **SFY 2014-15:** Full implementation.
- ❖ **April 1, 2015:** Information on outcomes due to the legislature.

Employer Benefits of Participation:

- Wages are fully or partially subsidized.
- Reduced-cost or free labor while training potential new hires
- Maintain and build on-going subsidized employment efforts

County Participation:

- 42 counties have reported participation in ESE, as of February 20, 2015.
- County plans indicate over 8,000 new jobs anticipated for SFY 2014-15.
- \$134,145,000 allocated to 57 counties in SFY 2014-15.
- County participation reflects a wide range of public and private placements, as well as addresses job retention services.

Evaluation and Reporting:

- The following information on outcomes is due to the legislature no later than April 1, 2015:
 - Clients who entered subsidized employment.
 - Clients who find unsubsidized employment after the subsidy ends.
 - Earnings of ESE participants before and after the subsidy.
 - Impact on the state's Work Participation Rate.

Early Engagement Implementation Update (AB 74) (continued)**Family Stabilization (FS) Program**

- To increase client success during the flexible WTW 24-Month Time Clock period.
- Ensures a basic level of stability:
 - Intensive case management
 - Barrier removal services
- Six months of clock-stopping (if good cause exists).
- FS addresses situations including, but not limited to:
 - Homelessness;
 - Domestic abuse; and/or,
 - Mental health or substance abuse-related needs.
- FS services are available to all family members, including children and unaided adults.
- Clients have a “Stabilization Plan,” with no minimum hourly participation requirements.
- Through 2014, 56 county plans reflecting implementation have been received.

Key Dates

- ❖ **January 1, 2014:** Implementation of the FS program.
- ❖ **September 2014:** data collection forms released to counties.

Highlights

- Preliminary FS totals from July to December 2014
 - In the first six months, cases receiving services more than doubled from 610 cases in July to over 1,300 cases in December.
 - The number of both adults and children in the program more than doubled from 1,100 to 2,400 during the same time period.
 - Children currently represent nearly 40 percent of the individuals in the program.
 - Homeless support and services are currently provided to over 40 percent of the cases.

Early Engagement Implementation Update (AB 74) (continued)**Online CalWORKs Appraisal Tool (OCAT)**

- Standardized statewide WTW appraisal tool.
- OCAT appraisals will take an hour to an hour and a half, and will provide in-depth appraisals of client strengths and barriers to employment.
- Use of OCAT to conduct appraisals will lead to greater opportunities for CalWORKs clients by identifying strengths and barriers immediately upon a client's entry into the WTW program.

Key Dates

- ❖ **March 2015:** Customization of OCAT completed.
- ❖ **April through June 2015:** Statewide OCAT training and release.
- ❖ **July 2015:** Completion of statewide training

Reception

- The following counties assisted in the initial early user experience and pilot of OCAT:
Los Angeles, San Bernardino, Fresno, Tulare, Sonoma, Lassen, Sacramento, and San Francisco.
- During OCAT pilot, county users reported that the tool:
 - Allowed them to better identify necessary supportive services for clients.
 - Helped them build better relationships with their clients.
- CalWORKs clients reported that the tool:
 - Helped them focus on their goals and the steps necessary to achieve them.
 - Identified previously unknown issues, and allowed them to seek help in the welfare-to-work program.

Next Steps

- Statewide training and implementation begins spring of 2015 through a series of regional train-the-trainer sessions.
- These regional train-the-trainer sessions are part of a four-pronged approach to facilitating onsite and online OCAT learning and performance. This approach also features onsite coaching for counties, a virtual learning portal, and ongoing help desk support.
- The CDSS in conjunction with the Statewide Automated Welfare System is currently evaluating long-term hosting and maintenance options for OCAT.

CalWORKs Accountability and Investment (continued)**Work Participation Rate (WPR)**

Estimated WPR Impacts for FFY 2015			
Premise	Numerator¹	Denominator¹	WPR Percentage Point Impact²
WPR Base			
FFY 2014 (Estimate)	92,332	316,914	29.13%
Current Enhancements to WPR			
Full-Year Impact of Non-MOE General Fund (GF) Shift -			
Safety Net & Drug/Fleeing Felons (not in base) ³	-4,579	-30,317	1.48%
Expanded Subsidized Employment ⁴	3,094	0	0.98%
WINS at 78.21% Percent Effectiveness ⁵	131,160	167,702	16.98%
Current WPR Estimate for FFY 2015	222,006	454,298	48.87%
Additional Enhancements to WPR			
WINS at 85% Effectiveness (In Addition to WINS Impact Above) ⁶	1,288	-4,365	0.76%
Non-MOE GF Shift -Long Term Sanctioned Cases ⁷	0	-8,488	0.93%
County Improvement to TANF WPR Base ⁸	9,070	0	2.00%
Potential FFY 2015 WPR with Enhancements	232,364	441,446	52.64%

* Pursuant to federally approved corrective compliance plans, California will avoid hundreds of millions in federal penalties if the WPR in FFY 2015 is at least 50 percent.

* WPR numerator and denominator reflect the Federal estimate for FFY 2014. The Federal WPR estimate (29.33 percent) is determined by a monthly average, whereas this estimate assumes a yearly average. Therefore, the WPR base in this estimate may be understated as compared to the Federal estimate by up to 0.2 percent.

* WPR impacts are not additive. Actual WPR impacts may vary depending on policy implementation and other caseload changes.

¹ Caseload based on FFY 2014 RADEP Sample and August 2014 WDTIP data.

² Starting WPR impact based on FFY 2014 RADEP Sample.

³ Assumes a portion of the Non-MOE move-out of safety net and felon cases are already included in the FFY 2014 RADEP data.

⁴ Assumes that 50 percent of the WPR impact due to ESE is included in the FFY 2014 WPR base. Assumes 75 percent of ESE cases meet the WPR.

⁵ Assumes 78.21 percent of Work Incentive Nutritional Supplement (WINS) cases meet the WPR all of FFY 2015, based on October 2014 through December 2014 actual WINS data. The WINS numerator and denominator excludes California Food Assistance Program (CFAP) cases.

⁶ This impact represents achieving an 85 percent efficiency rate during the latter half of FFY 2015. WINS efficiency may improve due to delaying issuance to the latter part of the month, better eligibility verification processes and adjustments to the WINS work verification plan.

⁷ Reflects cases sanctioned for 12 months or greater (excludes those who cure or leave aid), effective March 1, 2015. This policy is not fully implemented in FFY 2015, so the WPR increase would be greater in subsequent years.

⁸ Counties may achieve improved WPR through administrative improvements including data and case file documentation as well as following best practices.

CalWORKs Accountability and Investment**Work Participation Rate (continued)**

- A state participating in the federal TANF program must meet a WPR equal to 50 percent of all cases with adults. There is a separate 90 percent WPR requirement for two-parent families.
- Failure to achieve the WPR requirements results in a penalty equal to an initial five percent reduction of the federal TANF block grant (\$3.7 billion). For each successive year of noncompliance, the penalty increases by up to two percent to a maximum of 21 percent.

Key Dates

- ❖ **2008, 2009, 2010, 2011:** California failed to achieve WPR
- ❖ **FFY 2015:** WPR corrective compliance

Summary of WPR Requirements and TANF Penalties

All Families WPR			
FFY:	2008	2009	2010
Required Rate: All Families	50%	50%	50%
Caseload Reduction Credit¹	21%	21%	21%
Adjusted WPR target	29%	29%	29%
California Actual WPR	25.1%	26.8%	26.2%
Potential Penalty Amount	\$47.7 million	\$113.6 million	\$179.7 million

¹Due to the American Recovery and Reinvestment Act, California received the 2008 Caseload Reduction Credit for FFYs 2009, 2010, and 2011.

- Cumulative total potential penalty amount for 2008, 2009, and 2010 is \$341 million.
- California was determined to be WPR non-compliant in FFY 2011 and a penalty of \$246.1 million was imposed. A reasonable cause claim for penalty relief was submitted to the ACF in August 2014. The reasonable cause claim determination is currently pending.

Corrective Compliance Plan

- California's plan was signed by the governor and accepted by the ACF on June 24, 2014, covering the penalties for 2008, 2009, and 2010.
- California must achieve the WPR requirement in FFY 2015 (Oct 2014 to Sept 2015) to avoid the penalty; significant progress may result in penalty reduction.

CalWORKs Accountability and Investment (continued)**Work Incentive Nutritional Supplement (WINS)**

- The WINS program provides a ten dollar (\$10) per month additional food supplement benefit for CalFresh households that are meeting TANF WPR requirements. WINS cases are receiving CalFresh, but are not on CalWORKs.
- This food benefit is considered a form of TANF assistance thus including these working CalFresh/WINS cases in the state's TANF WPR calculation; however, TANF rules, such as time limits, do not apply to WINS cases.

Key Dates

- ❖ **July 1, 2014:** Implementation of the WINS program.
- ❖ **October 2014:** WINS cases began counting in the state's WPR.

WINS Issuances	
2014	Monthly Total
July	114,277
August	127,532
September	133,815
October	166,787
November	175,645
December	172,878

CalWORKs Accountability and Investment (continued)**Program Oversight**

CDSS has prioritized the department's oversight responsibility in order to promote the efficient and effective implementation of SB 1041 and AB 74. Timely oversight and ongoing monitoring will help assure that families receive the maximum benefit of the new flexibility built into the program and that technical assistance is being provided to counties to achieve the ultimate goal of the program, which is to increase successful outcomes for CalWORKs families.

Current efforts include:

New reporting

- **Contracted Evaluation with RAND Corporation – January 2018**
 - SB 1041 Evaluation of Reforms
 - An independent evaluation of the impact of SB 1041, including changes to the client time clock and work requirements conducted by the RAND Corporation, in partnership with the American Institutes for Research.
 - Annual progress reports will be provided (target dates are Fall of 2015 and 2016).
 - Covers the full range of adult and child impacts of CalWORKs reforms.
- **CalWORKs Program Summary - April 2015**
 - Provide high level of program understanding.
 - Topics include: caseload dynamics, financial overview, WTW participation, national comparisons, and program outcomes.

County Monitoring

- **SB 1041 Field Monitoring Visits – Began October 2013 and on-going**
 - One-day county visits that include data collection, county worker interviews, case file reviews, and local welfare advocate input. 40 visits conducted to date. Field visit reports posted on CDSS website.
- **County Peer Review – Fall 2015**
 - Sharing of promising and best practices between and among counties.
 - Peer review teams visit counties to conduct informational interviews and focus groups, review policies and procedures, and review client case files.
 - Eight peer review visits were completed between 2008-2010.
- **Eligibility Case File Reviews**
 - One-day county visits that include a review of major eligibility factors: citizenship and residency, income and resource limitations, family composition and grant levels. A Summary of Findings will be forwarded to the county upon completion of the review.
 - The eight largest counties will be reviewed in 2015, with reviews beginning in early spring.

CalWORKs Accountability and Investment (continued)**Housing Support Program (HSP) (SB 855)**

- SB 855 allocated \$20 million for a new HSP for eligible CalWORKs recipients.
- HSP assists homeless CalWORKs families in quickly obtaining permanent housing.
- The program also provides wrap-around supports to families to foster housing retention.

Program Implementation

- Due to limited funding and based on a county's ability to implement quickly and maximize funding, HSP awards were limited to twenty counties.
- County plans follow evidenced-based models, including those established in the federal Department of Housing and Urban Development's Homeless Prevention and Rapid Re-Housing Program.

Key Dates

- ❖ **July 2014:** CDSS initiates request for HSP proposals to all 58 counties.
- ❖ **September 2014:** CDSS awards 20 counties and allocates \$20 million.
- ❖ **October 2014:** First counties began implementing HSP.
- ❖ **September 2014 – June 2015:** CDSS holds quarterly HSP seminars.
- ❖ **By June 2015:** County plans project over 3,000 homeless CalWORKs families will be placed in permanent housing.

Assistance and Services Provided to Clients

- Counties were given the flexibility to design their own program, based on the needs of their community and individual county program plans differ in terms of eligibility requirements, services offered, or duration of a family's eligibility.
- Housing subsidies may range from a few months to several months, depending on the individual needs of the family.
- In following core components of a Rapid Re-Housing program, HSP offers financial assistance and several wrap-around supportive services, including:

Financial Assistance

- Rental assistance
- Security deposits
- Utility payments
- Moving costs
- Motel and hotel vouchers

Housing Stabilization & Relocation

- Outreach and engagement
- Landlord recruitment
- Case management
- Housing outreach and placement
- Legal services
- Credit repair

CalWORKs Accountability and Investment (continued)**The Workforce Innovation and Opportunity Act (WIOA)**

- WIOA replaces the Workforce Investment Act of 1998.
- TANF programs become mandatory partners with WIOA programs.
- The California Workforce Investment Board is developing California's state WIOA plan and working with local entities to develop local WIOA plans.
 - States must provide TANF funds for WIOA programs.
 - Part of WIOA funds must be used to align adult education with one-stop career center employment services and TANF.
 - Prioritizes employment for individuals with barriers including out-of-school youth and disabled workers.

Key Dates

- ❖ **July 1, 2015:** WIOA is effective.
- ❖ **January 2016:** Final WIOA regulations.
- ❖ **March 3, 2016:** State plans due to DOL.
- ❖ **July 1, 2016:** State plans implemented.

TANF and WIOA Integration*Workgroups:*

California Workforce Investment Board Integration Workgroup, including:

- CDSS Director Will Lightbourne
- California Health and Human Services Agency
- Employment Development Department
- Community Colleges Chancellor's Office
- Employment Training Panel
- Labor Workforce Development Agency
- Various other state and local agencies

Identifying Shared Spaces of Innovation and Opportunity:

- The CDSS has participated in over 20 TANF/WIOA webinars and workshops.
- Ongoing discussions regarding collaboration and expanding the role of CalWORKs.

Building on Current Partnerships:

- Increase co-location of CalWORKs and WIOA services: about 80 percent of one-stops have CalWORKs services.
- Contracts between the CDSS and the EDD that can contribute to WIOA partnerships:
 - Wagner-Peyser Act (Employment Services): the EDD funds staffing.
 - EDD Central Office Administrative Services: the EDD provides job counseling, job search training, and job referrals for CalWORKs recipients.
 - EDD Data Sharing: the EDD provides CalWORKs and other recipient wage and unemployment insurance data for budgets and evaluations.